

Message Text

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TAGS: MILI, CA

SUBJECT: GOC DEFENCE BUDGET REVISIONS

REF: USNATO 4223

1. DEFENCE MINISTER JAMES RICHARDSON ANNOUNCED NEW CANADIAN 5-YEAR DEFENCE BUDGET OCT. 10, 1973 (FULL TEXT TRANSMITTED BY AIRGRAM). RICHARDSON ANNOUNCED THAT DEFENCE BUDGET WILL INCREASE BY 7 PERCENT PER YEAR FOR NEXT FIVE YEARS. PERCENTAGE OF DEFENCE BUDGET DEVOTED TO NEW EQUIPMENT AND FACILITIES WILL INCREASE FROM 11 PERCENT TO 20 PERCENT DURING THIS PERIOD. RICHARDSON SAID DEFENCE MEASURES DESIGNED TO 1) PROVIDE FUNDS TO PURCHASE NEW EQUIPMENT; 2) MAINTAIN CURRENT STRENGTH OF CANADIAN ARMED FORCES; 3) PROVIDE INCREASES IN SALARIES OVER NEXT FEW YEARS; 4) ALLOW INCREASED EXPENDITURES FOR OPERATIONS AND MAINTENANCE; 5) ALLOW CANADA TO CONTINUE CONTRIBUTING TO NATO WHILE KEEPING "WITH GENERAL NATO TREND TO DECREASE GRADUALLY PERCENTAGE OF GNP ALLOCATED TO DEFENCE BUDGET."

2. RICHARDSON EXPLAINED DEFENCE BUDGET REVISION NEEDED

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TO PROVIDE FOR FOLLOWING CAPITAL EXPENDITURES:

A) NEW LONG-RANGE PATROL AIRCRAFT;
B) AUTOMATION OF DEFENCE COMMUNICATIONS SYSTEM;
C) SURFACE-TO-AIR (BLOW PIPES) MISSILE SYSTEM FOR
CANADIAN FORCES IN EUROPE;
D) EIGHT BOEING CHINOOK MEDIUM TRANSPORT HELICOPTERS;
E) EMPLOYMENT PROGRAM FOR MARITIME COMMAND HELICOPTERS;
F) REPLACEMENT OF FLEET OF 3/4-TON TRUCKS;
G) WIDE-RANGE ELECTRONIC EQUIPMENT FOR CANADIAN ARMED
FORCES;
H) AMMUNITION AND SAPRE PARTS PROCUREMENT.
RICHARDSON STRESSED IMPORTANCE OF DEFENCE PROCUREMENT IN
STIMULATING INDUSTRY AND EMPLOYMENT IN CANADA.

3. RICHARDSON ALSO ANNOUNCED:

A) CLOSING WITHIN THE NEXT YEAR - AIR DEFENCE (PINE TREE)
RADAR SAITES AT FOYMOUNT, ARMSTRONG AND
RAMORE;
B) WITHIN TWO YEARS - PHASE-OUT OF 38 TWENTY-YEAR OLD
CF-100 AIRCRAFT;
C) REMOVAL FROM MILITARY SERVICE OF FOUR AGING DESTROYERS
(TO CONINCIDE WITH ARRIVAL OF 4 MODERN DESTROYERS);
D) REMOVAL OF ANTI-SUBMARINE WARFARE EQUIPMENT
FROM TRACKER AIRCRAFT FLEET AND REDUCTION IN FLEET TO
16 FROM 33 EARLY IN 1974;
E) RETIREMENT OF 29-YEAR OLD TRAINING SUBMARINE HMCS
RAINBOW;
F) REDUCTION BY 50 PERCENT OF 3 MILLION DOLLAR ANNUAL CIVIL
EMERGENCY MEASURES FINANCIAL ASSISTANCE PROGRAM.
SCHMIDT

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